

RESEARCH HIGHLIGHT

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Socio-economic Series 04-001

2001 CENSUS HOUSING SERIES: ISSUE 2 REVISED
THE GEOGRAPHY OF HOUSEHOLD GROWTH
AND CORE HOUSING NEED, 1996-2001

REVISION OF 1996 AND 2001 CORE HOUSING NEED ESTIMATES

CMHC is releasing revisions to previous estimates of core housing need. During verification of ongoing research, CMHC found that some households had been misclassified when Statistics Canada applied core housing need to both the 1996 and 2001 Censuses. The outcome of the misclassification was to overestimate core housing need for both 1996 and 2001. Data for 1991 were not affected. The impact of the misclassification varies across geographic regions and socio-economic groupings. Therefore, CMHC is releasing revised versions of 2001 Census Housing Series Issues 2 through 4 and 6 through 9, all of which address core housing need. Further information on the impact of the misclassification is available at www.cmhc.ca/en/about/whwedo/whwedo_021.cfm

INTRODUCTION

The first Highlight of the 2001 Census Housing Series examined the proportion of Canadian households spending less than 30% of their before-tax income on shelter¹ (the current accepted benchmark for housing affordability), and how this basic measure indicated that improvements in housing affordability from 1996 to 2001 paralleled improvements in general economic conditions. This second, and many of the subsequent highlights, draw on a composite measure of acceptable housing that integrates indicators of housing adequacy, suitability, and affordability into a single indicator.

The term "acceptable housing" refers to housing that is in adequate condition, of suitable size, and affordable.

- **Adequate** dwellings are those reported by their residents as not requiring any major repairs.
- **Suitable** dwellings have enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NOS) requirements.
- **Affordable** dwellings cost less than 30% of before-tax household income.

Households which occupy housing that falls below any of the dwelling adequacy, suitability or affordability standards, and which would have to spend 30% or more of their before-tax income to pay for the median rent of alternative local market housing that meets all three standards, are said to be in core housing need.

¹ Shelter costs include the following:

- for renters, rent and any payments for electricity, fuel, water and other municipal services; and
- for owners, mortgage payments (principal and interest), property taxes, and any condominium fees, along with payments for electricity, fuel, water and other municipal services.

Shelter costs cannot be collected for farm households as carrying costs for farm residences are not always separable from expenses related to other farm structures. Shelter costs cannot be collected for reserve households whose housing costs are paid through band housing arrangements.

Income includes the before-tax income reported by all persons aged 15 years and over living in the household.



FINDINGS

National Trends

Between 1996 and 2001, the number of Canadian households whose housing conditions are assessed in this highlight grew by 7.8%, from 10.0 million to 10.8 million², while the number of households in core housing need actually declined by 5.3% (82,000), from 1.6 million to

1.5 million (see Table 1). Consequently, the percentage of Canadian households in core housing need fell from 15.6% in 1996 to 13.7% in 2001. The incidence of core housing need fell back almost to its 1991 level of 13.6%.

Owners accounted for essentially all (94.6%) of the 777,800 increase in households in Canada between 1996 and 2001. The incidence of core housing need among owner households dropped over this period

Table 1: All Households by Core Housing Need Status, 1996 and 2001

Province/Territory	Number of Total Households			Number of Total Households in Core Housing Need			Incidence of Core Housing Need among Total Households		
	1996 #	(000s) 2001 #	Change %	1996 #	(000s) 2001 #	Change %	1996 %	2001 %	Change %
Newfoundland and Labrador	177.8	181.7	2.2%	26.3	26.6	1.1%	14.8%	14.6%	-1.0%
Prince Edward Island	45.1	48.1	6.5%	6.1	6.2	2.2%	13.4%	12.9%	-4.0%
Nova Scotia	323.1	339.7	5.1%	48.1	51.6	7.3%	14.9%	15.2%	2.0%
New Brunswick	255.7	268.8	5.1%	34.7	30.0	-13.7%	13.6%	11.2%	-17.9%
Québec	2,621.6	2,812.8	7.3%	426.7	351.8	-17.5%	16.3%	12.5%	-23.1%
Ontario	3,680.3	3,981.5	8.2%	594.3	599.7	0.9%	16.1%	15.1%	-6.7%
Manitoba	374.6	389.8	4.1%	55.0	45.4	-17.5%	14.7%	11.6%	-20.7%
Saskatchewan	314.4	323.1	2.7%	39.7	37.2	-6.4%	12.6%	11.5%	-8.9%
Alberta	891.2	1,014.2	13.8%	100.8	106.3	5.5%	11.3%	10.5%	-7.3%
British Columbia	1,315.4	1,416.7	7.7%	229.0	223.7	-2.3%	17.4%	15.8%	-9.3%
Yukon	10.2	10.2	-0.2%	2.0	1.6	-18.0%	19.2%	15.8%	-17.9%
N.W.T.	N/A	12.0	N/A	N/A	2.1	N/A	N/A	17.4%	N/A
Nunavut	N/A	7.1	N/A	N/A	2.7	N/A	N/A	38.8%	N/A
N.W.T. and Nunavut combined*	18.3	19.1	3.9%	4.7	4.8	3.4%	25.4%	25.3%	-0.4%
CANADA	10,027.8	10,805.6	7.8%	1,567.2	1,484.8	-5.3%	15.6%	13.7%	-12.1%

Notes: Figures may not add due to rounding.

*In 1999, Nunavut was established as a territory distinct from the Northwest Territories (N.W.T.). As a result, data are only available for Nunavut and the N.W.T. exclusive of Nunavut beginning with 2001. For comparative purposes, totals for the N.W.T. including Nunavut have been provided for both 1996 and 2001.

Source: CMHC (census-based housing indicators and data, revised 2005). CMHC provides funding for housing content on the Census of Canada, and Statistics Canada gives CMHC permission to use the data.

Definitions:

Households refer to all non-farm, off-reserve private households with positive incomes and interpretable shelter cost-to-income data from the census. They include native- and non-native-led households. Excluded are any households reporting zero or negative incomes, or uninterpretable shelter cost-to-income data on the census, as well as: farm or reserve households (for which shelter costs are not collected by the census); population living in collective dwellings such as rooming houses, hospitals, nursing homes or retirement residences; and, by definition, those living in shelters or on the street (the homeless). For a complete definition of collective households, see: Statistics Canada, 2001 Census Dictionary, Cat. no. 92-378-XIE, pages 190-193, the definition for dwelling, collective.

Canadian households are considered to be **in core housing need** if they do not live in or could not access acceptable alternative housing. The term "acceptable housing" refers to housing that is affordable, in adequate condition, and of suitable size.

Affordable dwellings cost less than 30% of before-tax household income.

Adequate dwellings are those reported by their residents as not requiring any major repairs.

Suitable dwellings are not crowded, meaning that they have enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NOS) requirements.

The NOS dictates that the maximum number of persons per bedroom should be two, with: parents eligible to a bedroom separate from their children; members 18 years of age and older eligible to a separate bedroom unless married or cohabiting as spouses; and dependents aged five or more required to share a bedroom only with siblings of the same sex.

² The 2001 Census identified 11.6 million total households in Canada, a 6.9% increase from 1996. However, not all households can be assessed for affordability (see 2001 Census Housing Series: Issue 1 for more details). CMHC regards shelter cost-to-income ratios of 100% or more as uninterpretable. Therefore, households with such ratios, along with households reporting zero or negative incomes, are excluded from this analysis.

The 2001 Census identified 11,562,975 total households, 11,279,330 of which were non-farm, off-reserve households with incomes greater than zero. Of these, 10,805,615 had interpretable shelter cost-to-income ratios (ie. their incomes exceeded their shelter costs). Note that the number of households examined in this Highlight differs slightly from the number assessed in the first Highlight. The difference of 2,275 households reflects minor rounding differences between the Statistics Canada data used for the first Highlight, and the CMHC custom data used for this Highlight.

of time, from 6.9% to 6.6%. The number of owner households in core housing need grew by 6.2%, from 446,200 to 473,800, while the overall number of owner households grew by 11.3%.

While the number of renter households grew only marginally (1.2%) between 1996 and 2001, their housing conditions improved considerably. Though there were 42,100 more renter households in 2001 than in 1996, the number in core housing need fell by 9.8% during this time, from 1.1 to 1.0 million. As a result, the percentage of renter households in core housing need fell from 31.7% to 28.3%.

Trends Across Canada

While housing conditions improved overall from 1996 to 2001, and all provinces and territories except one experienced a decline in the incidence of core housing need, different trends were evident across the country.

Five of Canada's provinces (New Brunswick, Québec, Manitoba, Saskatchewan, and B.C.) experienced declines in the percentage of households in core housing need large enough to offset the growth in their total households between 1996 and 2001, resulting in fewer households in need in 2001 than there had been in 1996.

This was most apparent in Quebec. An increase of 7.3% in the total number of Québec households was offset by a decline in the incidence of need, from 16.3% in 1996 to 12.5% in 2001, resulting in a 17.5% decline in the total number of households in core housing need. In the Yukon, while the number of households remained largely unchanged

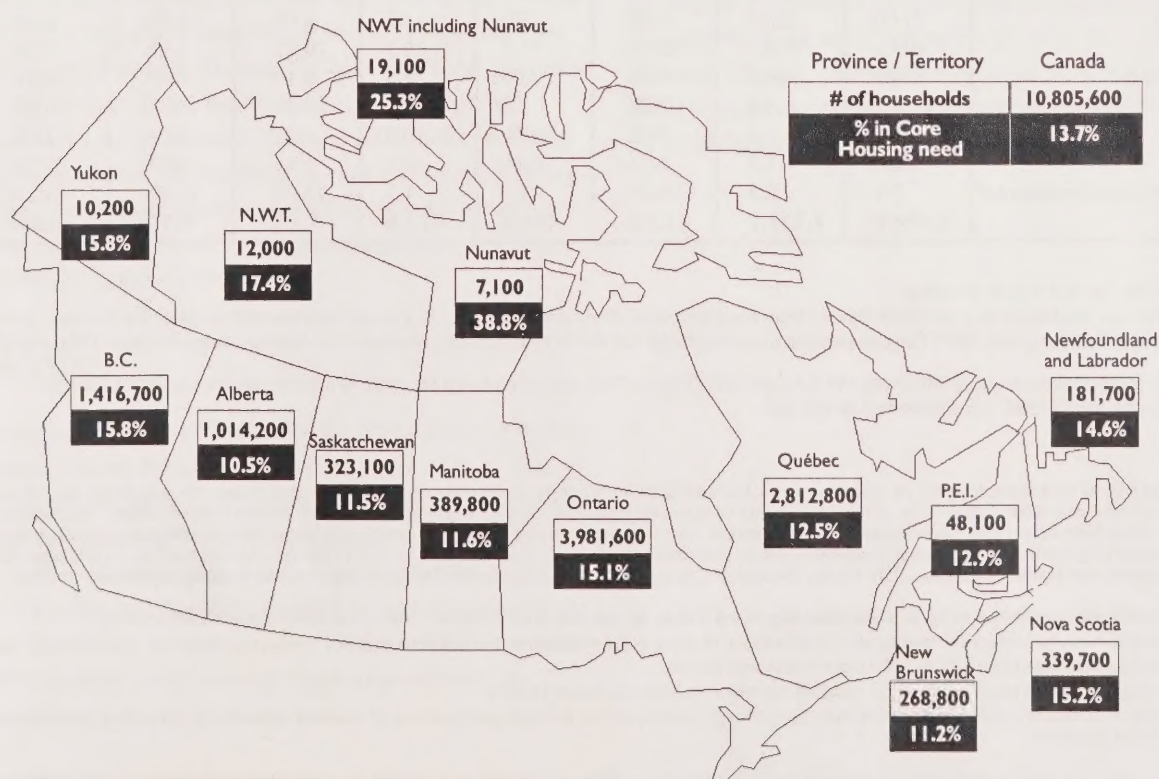
between 1996 and 2001, there was a large decline in the number of households in core housing need (-18.0%).

The story was different, however, in Alberta and Ontario—the two provinces with the greatest growth in the number of households between 1996 and 2001—as well as in P.E.I. and Newfoundland and Labrador. In these four provinces, declines in the incidence of core housing need were not enough to offset increases in the overall number of households. Consequently, all four provinces experienced increases in the number of households in core housing need, 5.5% in Alberta, 2.2% in P.E.I., 1.1% in Newfoundland and Labrador and just 0.9% in Ontario.

However, it should be noted that the incidence of core housing need in Alberta (10.5%) remained the lowest in the country, despite the increase in the number of households in core housing need and a household growth rate 76.9% higher than the national average. The incidence of need in Quebec (12.5%) dropped below the national average, and relative to other provinces, fell from being the second highest in the country in 1996 to the sixth highest in 2001. In British Columbia, by contrast, the incidence of housing need in 2001 (15.8%) was higher than in any other province.

Nova Scotia was the only province where the incidence of households in core housing increased. The incidence of core housing need in 2001 was 15.2%, up from 14.9% in 1996. When combined with a 5.1% increase in the number of households, this resulted in an increase of 7.3% in the total number of households in core housing need.

Households and Core Housing Need, 2001



Source: CMHC (census-based housing indicators and data, revised 2005)

Table 2: Renter Households by Core Housing Need Status, 1996 and 2001

Province/Territory	Number of Renter households			Number of Renter Households in Core Housing Need			Incidence of Core Housing Need among Renter Households		
	(000s)			(000s)					
	1996 #	2001 #	Change %	1996 #	2001 #	Change %	1996 %	2001 %	Change %
Newfoundland and Labrador	38.3	37.8	-1.4%	13.3	13.2	-1.3%	34.8%	34.8%	0.1%
Prince Edward Island	12.5	12.7	2.0%	3.7	3.8	3.2%	29.8%	30.1%	1.2%
Nova Scotia	90.0	93.9	4.4%	30.2	31.8	5.3%	33.6%	33.9%	0.9%
New Brunswick	63.8	65.6	2.9%	21.0	17.4	-16.9%	32.9%	26.5%	-19.2%
Québec	1,102.3	1,154.7	4.8%	336.8	277.2	-17.7%	30.6%	24.0%	-21.5%
Ontario	1,269.7	1,232.7	-2.9%	421.4	398.3	-5.5%	33.2%	32.3%	-2.6%
Manitoba	119.3	118.7	-0.5%	38.7	29.8	-23.1%	32.5%	25.1%	-22.7%
Saskatchewan	97.5	92.2	-5.4%	26.7	22.9	-14.0%	27.4%	24.9%	-9.2%
Alberta	283.9	294.9	3.9%	69.1	68.0	-1.6%	24.3%	23.1%	-5.2%
British Columbia	441.7	458.7	3.8%	155.6	144.2	-7.3%	35.2%	31.4%	-10.7%
Yukon	3.8	3.3	-13.0%	1.0	0.9	-9.4%	27.0%	28.1%	4.2%
N.W.T.	N/A	5.5	N/A	N/A	1.3	N/A	N/A	23.1%	N/A
Nunavut	N/A	5.4	N/A	N/A	2.2	N/A	N/A	41.4%	N/A
N.W.T. and Nunavut combined*	11.2	10.9	-2.9%	3.6	3.5	-2.5%	32.0%	32.1%	0.4%
CANADA	3,533.8	3,576.0	1.2%	1,121.0	1,011.0	-9.8%	31.7%	28.3%	-10.9%

Table 3: Owner Households by Core Housing Need Status, 1996 and 2001

Province/Territory	Number of Owner households			Number of Owner Households in Core Housing Need			Incidence of Core Housing Need among Owner Households		
	(000s)			(000s)					
	1996 #	2001 #	Change %	1996 #	2001 #	Change %	1996 %	2001 %	Change %
Newfoundland and Labrador	139.5	143.9	3.1%	13.0	13.5	3.7%	9.3%	9.4%	0.5%
Prince Edward Island	32.7	35.4	8.2%	2.4	2.4	0.8%	7.2%	6.7%	-6.8%
Nova Scotia	233.1	245.8	5.4%	17.9	19.8	10.5%	7.7%	8.1%	4.8%
New Brunswick	191.9	203.2	5.9%	13.8	12.6	-8.7%	7.2%	6.2%	-13.8%
Québec	1,519.3	1,658.1	9.1%	89.8	74.6	-16.9%	5.9%	4.5%	-23.9%
Ontario	2,410.6	2,748.9	14.0%	172.9	201.3	16.5%	7.2%	7.3%	2.1%
Manitoba	255.4	271.2	6.2%	16.3	15.6	-4.3%	6.4%	5.7%	-9.9%
Saskatchewan	217.0	230.8	6.4%	13.0	14.2	9.4%	6.0%	6.2%	2.8%
Alberta	607.3	719.3	18.4%	31.7	38.3	20.8%	5.2%	5.3%	2.0%
British Columbia	873.7	958.1	9.7%	73.4	79.5	8.3%	8.4%	8.3%	-1.3%
Yukon	6.5	6.9	7.2%	1.0	0.7	-27.2%	14.7%	10.0%	-32.1%
N.W.T.	N/A	6.5	N/A	N/A	0.8	N/A	N/A	12.6%	N/A
Nunavut	N/A	1.7	N/A	N/A	0.5	N/A	N/A	30.2%	N/A
N.W.T. and Nunavut combined*	7.1	8.2	14.6%	1.1	1.3	22.6%	15.2%	16.2%	6.9%
CANADA	6,494.0	7,229.7	11.3%	446.2	473.8	6.2%	6.9%	6.6%	-4.6%

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In 1999, Nunavut was established as a territory distinct from the Northwest Territories. As such, data for 1996 are not available separately for Nunavut and the western N.W.T. Therefore, 2001 data for the Northwest Territories have been combined with those for Nunavut, for measurement purposes. Using this combined N.W.T.-Nunavut total for both 1996 and 2001, the region experienced a 3.9% increase in the overall number of households. This was greater than the 3.4% increase in the number of households in core housing need, resulting in a slight downward shift in the incidence of core housing need, from 25.4% in 1996 to 25.3% in 2001.

In 2001, Nunavut recorded the highest incidence of need in the country (38.8%). The Northwest Territories came next at 17.4%, followed by the Yukon and British Columbia, both at 15.8%.

Renter and Owner Households

While several provinces and territories experienced a decline in the number of renter households, the number of renter households in core housing need fell in every province and territory between 1996 and 2001 (see Table 2), with the exception of P.E.I. and Nova Scotia. The incidence of need among renter households fell in seven provinces. The greatest decrease in the incidence of core housing need among renter households was in Manitoba, where it fell from 32.5% in 1996 to 25.1% in 2001.

While the number of owner households increased in all provinces and territories, owners did not experience the same degree of improvement in the incidence of core housing need compared to renters. New Brunswick, Québec, Manitoba and Yukon were the only provinces and territory to record a decline in the number of owner households in core housing need. Yukon was also home to the greatest decrease in the incidence of need among owner households (see Table 3). P.E.I., New Brunswick, Quebec, Manitoba and British Columbia also recorded declines in the incidence of core housing need among owner households between 1996 and 2001. In the remaining provinces and territories, the incidence of core housing need among owners rose. The greatest increase in the incidence of owner core housing need occurred in N.W.T.-Nunavut combined, rising from 15.2% in 1996 to 16.2% in 2001.

SUMMARY

Housing conditions improved from 1996 to 2001, returning almost to 1991 levels, but not for all Canadian households. The number of Canadian households for whom housing conditions are assessed in this Highlight increased by 7.8%, from 10.0 million to 10.8 million, while the number of households in core housing need decreased by 5.3%, from 1.6 million to 1.5 million. Owners comprised essentially all of the new households formed between 1996 and 2001, but renter households benefited from more significant improvements in housing conditions.

Not all Canadian households experienced improvements in housing conditions, and national trends did not occur uniformly across the country. New Brunswick, Québec, Manitoba, Saskatchewan and B.C. experienced declines in the percentage of households in core housing need large enough to offset the growth in their total households between 1996 and 2001, resulting in declines in the number of households in core housing need. The largest decline in the number of households in core housing need occurred in Yukon (-18.0%).

In Alberta and Ontario, the provinces with the greatest growth in the number of households between 1996 and 2001, declines in the incidence of core housing need did not offset the total household growth, and consequently both experienced increases in the number of households in core housing need. Nova Scotia was the only province to experience an increase in the incidence of core housing need. In Newfoundland and Labrador, the incidence of core housing need recorded a modest decline, while both the total number of households and the number of households in core housing grew by 1 to 2%.

While this Highlight examined overall trends related to housing conditions and core housing need, the next issue in the 2001 Census Housing Series will examine the individual adequacy, suitability, and affordability standards in detail to provide further insight into the housing conditions of Canadian households.

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Housing Research at CMHC

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